

EXECUTIVE SECRETARIAT ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19					
20					
21					
22					
SUSPENSE		Date			

Remarks

SAC

Executive Secretary
1 Oct 84
Date

3637 (10-81)

CABINET AFFAIRS STAFFING MEMORANDUM

Date: 9/27/84 Number: ----- Due By: -----

Subject: Minutes of the Cabinet Council on Management and Administration -

June 28, September 4, 1984

	Action	FYI		Action	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	ACUS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	McFarlane	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	Svahn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	Chapman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<u>CIA</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Executive Secretary for:		
EPA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCCT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NASA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OPM	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCFA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCHR	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SBA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCLP	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			CCMA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			CCNRE	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS: Attached for your information are the minutes from the following meetings of the Cabinet Council on Management & Administration:

June 28, 1984

September 4, 1984

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs
456-2823 (White House)

☐ Don Clarey
☒ Tom Gibson
☐ Larry Herbolsheimer

Associate Director
Office of Cabinet Affairs
456-2800 (Room 129, OE08)

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EXEC
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CABINET COUNCIL ON MANAGEMENT AND ADMINISTRATION

CABINET MEETING

June 28, 1984 - 11:00 A.M.

Cabinet Room - #32

Participants: The President, Vice President, Meese, Weinberger, Bell, Smith, Heckler, Dole, Block, Boggs, McNamar, Walters, Cornelius, Speakes, Donatelli, Ciconni, Cribb, Rhodes, Baroody, Oglesby, Darman, Herrington, Moran, Devine, Porter, Fuller, Gibson, Triplett.

1. Federal Civilian Employment

Mr. Meese presented the current status of the effort to achieve the President's goal of reducing Federal civilian employment by 75,000 in 1984. He pointed out that certain agencies are not meeting their target reductions, and stressed the need for top-level attention in the coming months. The President expressed concern, urged agency heads to exert a maximum effort between now and September 30, and asked for a month-by-month report for the remainder of the fiscal year.

Mr. Moran pointed out that, with a determined effort, the targets are achievable. Secretary Heckler stated that for many agencies the easiest reductions have already been made, and that further cut-backs will risk congressionally imposed "floors." Mr. Meese said we must take that risk. Mr. Boggs pointed out that the Department of Energy already has "floors" in some programs, but nevertheless will achieve its target reduction.

The Vice President raised the question of whether congressionally imposed "floors" are constitutional, given its oversight rather than operational role with regard to executive programs. Mr. Smith said he would welcome a constitutional test, but the problem is finding the right case.

Action: OPM and OMB should prepare monthly reports to the President on progress toward meeting the Federal civilian reduction goals.

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2. Federal Employee Productivity (Morale)

Mr. Meese pointed out the importance of good employee relations, and the connection between good morale and high productivity. Mr. McNamar introduced the members of the CCMA working group that had been studying this matter since last November. Mr. Walters outlined the results of the working group, stressing the need to let employees know they are valued, treating them as part of the team, and rewarding them for jobs well done. He said our objectives should be to take reasonable actions that improve morale and boost productivity, while not unduly catering to the interests of Federal employees, or abandoning needed budget reforms.

Mr. Walters emphasized the need for agency leadership to play a direct role in their agency, to work with responsible employee groups, and to develop demonstration projects to test new and better ways for managing Federal personnel.

Ms. Cornelius outlined several possible demonstration projects, including alternate compensation programs, performance-based initiatives, and task team approaches to increase productivity. The President responded supportively, and stated the need for more built-in incentives for achieving high job performance, and retaining the best staff. The President agreed to devote one of his Saturday radio addresses to the subject of Federal employee morale and productivity.

A general discussion ensued with Secretaries Block, Dole, et al, describing actions that have been taken to improve morale, and ideas for additional activities.

Action: The President agreed to send a memorandum to heads of agencies on Federal employee productivity, and to devote a radio address to this subject.

3. Productivity Improvement in Government Services: Contracting Out

Mr. Meese introduced Ms. Triplett who explained the need for redoubled efforts to implement OMB Circular A-76.

She stated that, under A-76, contracting-out is only one of the objectives, although many agency managers view A-76 as solely a contracting-out effort. The real thrust is on achieving internal efficiency and productivity whether services are performed in-house or by contract. She gave several examples of experiences with A-76 studies, pointing out that the great majority of "displaced" employees remain with the Government even when their programs are contracted out.

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Secretary Weinberger described the considerable progress that DOD has made in carrying out 300 A-76 studies since 1981. Mr. Meese stressed the need to better inform Congress of the Administration's A-76 goals. Mr. Devine pointed out the desirability of linking A-76 results more closely to pay-for-performance incentives. Mr. Bell said we must do a better job of removing discentives, for example, a manager who conscientiously reduces staff may also, as a result of a smaller staff, suffer a grade reduction.

Action: The President agreed to send a memo to the heads of agencies expressing the need for a redoubled effort to achieve OMB Circular A-76 goals.

THE WHITE HOUSE
WASHINGTON
CABINET COUNCIL ON MANAGEMENT AND ADMINISTRATION

September 4, 1984
The Roosevelt Room

Meeting Minutes

Attendees: Meese, L. Smith, Svahn, Wright, Taft, Burnley, Alvarez, Cribb, Bledsoe, Gibson, Chapman, Niskanen, Baker, Dineen, Korten, O'Shaughnessy, Bulow, Hite, Gall, Hawley, Walters.

Real Property Management

Mr. Bledsoe summarized the status of the Property Review Board and proposed the establishment of a CCMA Working Group on Real Property to examine options for a broader approach to property disposal and management. The Working Group is to be chaired by the Acting GSA Administrator, Mr. Kline, and will report findings to CCMA in December.

Mr. Wright noted that review of agency property is not currently a part of the budget process. Mr. Meese stressed the importance of including workspace standards in the process this year, and asked that a PRB analysis be prepared showing properties proposed for disposal, and properties actually sold.

Action: The Council approved establishment of the Working Group and directed presentation of the property analysis at the next CCMA meeting with the President.

FY 1986 Management Reviews

Mr. Wright reported that seven reviews have been completed, with all 23 to be finished by September 17. While most reviews are progressing satisfactorily, problems have arisen in discussion of information resources management and A-76 productivity. It is felt that Assistant Secretaries for Management are not getting top-level support for these initiatives. He urged that Cabinet Secretaries and agency heads increase efforts in these areas.

Mr. Taft said that DOD's management and budget reviews were very helpful and mutually reinforcing. Mr. Niskanen, Mr. Taft, and others discussed the Services Contract Act, and the need for repeal, or a stricter legal interpretation of its requirements.

Action: The Council asked Mr. Wright to provide an advance look at results of the management reviews, and to arrange a critique by agency heads of the reviews when process has been completed.

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Cyclical Payments

Ms. Dineen of Treasury presented a report on the CCMA Working Group on Cyclical Payments. Option papers have been received from DOD, HHS, and OPM. Others should be submitted shortly. The Group's recommendations and agency options will be reported to CCMA on November 30.

Mr. Svahn suggested that the options specify whether the government or the recipients would carry the cost of change-over. Mr. Smith pointed out that resistance to change by recipients could be lessened by one-time pay-backs or other benefits. Ms. Dineen stressed that legislative timing and constraints will affect the savings and other benefits of any change.

Action: The Working Group will report proposals to CCMA by November 30.

Federal Pay Comparability

Mr. Taft summarized the recommendations of the CCMA Working Group on Pay Comparability: (1) Incrementally expand the scope of the Professional, Administrative, Technical, Clerical (PATC) study while retaining the President's alternative pay plan authority; (2) Include in the 1985 Pay Agent report a frank critique of the present system's shortcomings (accomplished); and (3) Develop management tools which consider such workforce indicators as quality and turnover.

Mr. Taft stressed that the current system undermines confidence in the pay-setting process, and raises work force expectations to unrealizably high levels. Mr. Korten explained the implications of various weighting options and adjustments in the survey's scope. Mr. Burnley suggested that OMB sort out technical complexities.

Mr. Meese pointed out that a pay consultant firm might be helpful. Mr. Korten said OPM had such a contract study underway. Mr. Niskanen stated that wages are only part of the compensation picture, and that benefits, risk of lay-off, and other factors should be included if true comparability is to be calculated. He noted that quit-rates are 4-8 times higher in the private sector than in government, except in fields where the government wishes lower turnover such as for doctors and pilots. Mr. Taft urged that the survey be more market-oriented. Mr. Meese agreed that these are valid points.

Action: The Council directed the Working Group to consider the results of OPM's study, incorporate quit-rate concepts suggested by Mr. Niskanen, and present its report at a CCMA meeting with the President in about 60-days.

Federal Civilian Employment

Mr. Korten summarized the FTE non-defense reductions, announcing that the goal of 75,000 was reached in June. Overall, a net reduction of 16,266 has been achieved, notwithstanding press reports to the contrary. He urged agencies to keep the lid on new hires if the reduced levels are to be retained. He noted that a decision is needed on when to announce achievement of the goal.

Mr. Meese said the goal should be announced by the President as part of other upcoming announcements. Mr. Wright agreed and said a new goal should be set as part of the budget process without specific numbers announced at this time.

Action: The Council approved submitting a report to the President at a Cabinet meeting in the near future, with public announcements to be made as required.

PPSSCC

Mr. Gibson summarized the status of the Administration's evaluation of PPSSCC reports, noting that 22 had been reviewed to date with the Business and Banking reports scheduled next. He urged that agencies regard the status of recommendations as confidential, noting that OMB will make an accounting in January in a report to Congress.

Mr. Bledsoe explained the process proposed for the initial review of issues assigned to CCMA for review. The process includes a 30-day review of recommendations that have been, or can be, included in the budget, and those which require more study. Mr. Wright said this information will be needed as soon as possible.

Mr. Meese agreed that time is short, and said a lengthy CCMA meeting will be held when the results are ready.

Action: The Council approved the proposed process, and directed that results be presented to the CCMA when the initial reviews are completed.